

FINANCIAL REPORT

**West Baton Rouge Council on Aging, Inc.
Port Allen, Louisiana**

June 30, 2007

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 3/19/08

**Michael R. Choate & Company
Certified Public Accountants**

FINANCIAL REPORT

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Port Allen, Louisiana**

June 30, 2007

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Port Allen, Louisiana

June 30, 2007

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MANAGEMENT'S DISCUSSION AND ANALYSIS

West Baton Rouge Council on Aging, Inc.

The "Management's Discussion and Analysis" of the West Baton Rouge Council on Aging, Inc.'s (the Council) financial performance presents a narrative overview and analysis of the Council's financial activities for the year ended June 30, 2007. This report highlights the current year's activities, resulting changes, and relevant facts. Please read this report in conjunction with basic financial statements, which follow this section.

FINANCIAL HIGHLIGHTS (see condensed statements on page 6)

Here are the financial highlights:

The Council's assets exceeded its liabilities at the close of fiscal year 2007 by \$267,651 (net assets) which represents a 9% increase from last fiscal year.

Cash was \$ 312,549 at June 30, 2007 compared to \$ 239,827 at June 30, 2006. This is an increase of \$ 72,722 or 3.1%.

Contract receivables were \$27,051 compared to \$ 22,614 an increase of \$4,437.

The Council's revenue increased \$ 62,810 (or 10%) primarily due to an increase in property taxes of \$ 46,187, and a grant increase from Governor's Office of Elderly Affairs of \$ 25,000.

The Council's expenditures increased, \$ 39,415 (or 6%) primarily due to an increase in meals of \$25,567, an increase in material and supplies of \$25,000, vehicle expenses increased \$9,085, a decrease in personnel costs of \$8,215 and a decrease in site maintenance and supplies of \$5,599 and a decrease in Senior activities of \$4,814.

As a result of subtracting total expenditures from total revenue, the Council's net assets increased by \$21,383 this fiscal year. Last year the net assets decreased \$2,012.

Capital assets decreased by \$ 5,307. This decrease was due to depreciation expense.

OVERVIEW OF THE FINANCIAL STATEMENTS – What's included

This discussion and analysis is intended to serve as an overview to the Council's basic financial statements. The Council's annual report consists of five parts: (1) management's discussion and analysis (this section) (2) basic financial statements (3) required supplementary information, and (4) the optional section that presents combining statements for non-major governmental funds and other supplementary information and (5) various governmental compliance reports and schedules by certified public accountants and management.

The basic financial statements include two kinds of statements that present different views of the Council:

Government-wide Financial Statements

The government-wide financial statements (see Exhibits A and B) are designed to provide readers with a broad overview of the Council's finances, in a manner similar to a private sector business. The **statement of net assets** presents information on all of the Council's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Council is improving or deteriorating. The **statement of activities** presents information showing how the Council's net assets change during each fiscal year (revenues less expenditures). All changes in net assets are reported as soon as the financial transaction occurs regardless of the timing of the related cash flows. Thus, revenues and expenditures are reported in this statement this fiscal year even though the resulting cash flow is in future fiscal years. The governmental activity of the Council is health and welfare which is comprised of various programs that include supportive services, nutritional services, utility assistance disease prevention, caregiver support and a multipurpose senior center in Port Allen, Louisiana.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. All of the funds of the Council are governmental funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on current year inflows and outflows of cash, as well as on balances of spendable resources available at the end of the fiscal year. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to help with this comparison between governmental funds and governmental activities. (Exhibit D and E)

The Council has presented the General Fund, Title III B – Supportive Services Fund, Title III C-1- Congregate Meals Fund, Title III C-2 – Home Delivered Meals Fund, Millage Fund and Senior Center Fund as major funds. (Exhibit C & D) All non-major governmental funds are presented in one column, titled "Total Non-Major Funds". Combining financial statements of the non-major funds can be found in the Combining Fund Statements that follow the basic financial statements (Page 32).

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found in Exhibit F of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information that further explains and supports the information in the financial statements. The Governmental Accounting Standards Board (GASB) Statement No. 34 requires budgetary comparison schedules for the General Fund and each major Special Revenue Fund that has a legally adopted budget (Pages 27 to 30). In addition to these required elements, the Council has a section of supplementary information. The Governor's Office of Elderly Affairs (GOEA) has required the Council to present combining statements that provide details about our non-major governmental funds and details about capital assets and the changes in capital assets. This information will be used by GOEA to verify the accuracy of information submitted to them during the year and to help monitor certain compliance requirements set forth in the grants that it has with the Council (Page 32 and 33).

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets serve as a useful indicator of the Council's financial position. As of June 30, 2007, assets exceeded liabilities by \$ 267,651. A large portion of the Council's net assets (117%) reflects its cash position. The Council has a strong cash position.

Special Revenue Fund Budgetary Highlights

The budget was amended one time during the year. The primary reasons for amending the budget were to comply with the Council's grants for GOEA due to unanticipated changes in expenditures.

During the year, actual expenditures differed from budgetary estimates. Required supplementary information budgetary comparison schedules were prepared for the General Fund and each major Special Revenue Fund (Page 27 to 30).

CAPITAL ASSETS

The Council's investment in capital assets for its governmental activities as of June 30, 2007, amounts to \$ 5,698 (net accumulated depreciation). This investment in capital assets includes office furniture, fixtures, vehicles, machinery and equipment (see table below).

	<u>2007</u>	<u>2006</u>
Office furniture, fixtures and equipment	\$ 11,280	\$ 11,280
Vehicles	167,136	191,380
Sub Total	178,416	202,660
Less accumulated depreciation	(172,718)	(191,655)
Totals	\$ 5,698	\$ 11,006

Additional information on the Council's capital assets can be found in the Note 1 (C) and 7, Exhibit F of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Council receives most of its funding from local property taxes. Additional funding is from federal and state agencies. Because of this, the source of income for the Council is consistent. However, some of the Council's grants and contracts are contingent upon the level of service provided by the Council, and therefore, those revenues are not fixed. There have been no significant changes to the funding levels or terms of the grants and contracts. The Governor's Office of Elderly Affairs (GOEA) has approved the Council's budget for fiscal year 2007-2008. There are no plans to add any significant programs for next fiscal year.

The Executive Director and Board of Directors considered the following factors and indicators when setting next year's budget, rates, and fees. These factors and indicators include:

- Actual expenditures from previous fiscal year in relation to expected needs in the current year.
- Consideration of funding to be received from GOEA.
- The Ad Valorem Tax revenue budgeted represents the estimated amount of the October 2007 assessment, which the Council will receive, for the most part, in January 2008.
- Interest revenues have been budgeted as increasing.
- Salaries and benefits are based on the number of employees needed to perform necessary services and the related benefits.
- Travel rates in accordance with state travel regulations.
- Services the Council will provide along with estimated service costs.
- Estimate of operation supplies needed to perform necessary services.
- Detail plan of equipment needed to be purchased.
- Vehicle insurance based on quotes and contracts.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Council's finances for all interested in the Council's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Board of Directors
Susan Deveck
West Baton Rouge Council on Aging, Inc.
P.O. Box 122
Port Allen, Louisiana. 70767
Phone (225) 383-0638

Condensed Statements of Net Assets

	June 30,		Dollar
	2007	2006	Change
Cash	\$ 312,549	\$ 239,827	\$ 72,722
Other current assets	27,051	40,246	(13,195)
Capital assets	5,698	11,005	(5,307)
Total assets	<u>\$ 345,298</u>	<u>\$ 291,078</u>	<u>\$ 54,220</u>
Accounts payable	56,376	27,043	29,333
Accrued compensation	21,271	17,767	3,504
Total liabilities	<u>77,647</u>	<u>44,810</u>	<u>32,837</u>
Net Assets:			
Invested in capital assets, net	5,698	11,005	(5,307)
Restricted	270,229	230,769	39,460
Unrestricted	(8,276)	4,494	(12,770)
Total net assets	<u>\$ 267,651</u>	<u>\$ 246,268</u>	<u>\$ 21,383</u>

Governmental Activities

Governmental activities increased the Council net assets by \$ 21,383. Key elements of this increase are as follows:

Condensed Changes in Net Assets

	June 30,		Dollar	Total
	2007	2006	Change	Percent
Revenues:				
Program revenues:				
Operating grants and contributions	\$ 81,798	\$ 86,475	\$ 5,323	7%
General revenues:				
Property taxes	561,029	514,842	46,187	9%
Grants and contributions not restricted	46,310	40,283	6,027	15%
Unrestricted investment earnings	6,182	1,195	4,987	418%
Miscellaneous	7,373	7,087	286	4%
Total revenues	<u>712,692</u>	<u>648,882</u>	<u>62,810</u>	<u>10%</u>
Expenses:				
Health and welfare	<u>691,309</u>	<u>651,894</u>	<u>39,415</u>	<u>6%</u>
Total expenses				
Increase (decrease) in net assets	21,383	(2,012)	23,395	
Net assets beginning of year	<u>246,268</u>	<u>248,280</u>	<u>(2,012)</u>	
Net assets end of year	<u>\$ 267,651</u>	<u>\$ 246,268</u>	<u>\$ 21,383</u>	

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the Council uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the Council's governmental funds is to provide information on current year inflows, outflows, and balances of spendable cash and other resources. Such information is useful in assessing the Council's cash flow requirements. In particular, unrestricted fund balance at year end may serve as a useful measure of a government's net resources available for spending next fiscal year. As of the end of the current fiscal year, the Council's governmental funds reported combined ending fund balances of \$ 283,224, an increase of \$ 30,194 in comparison with the prior year. An unreserved fund balance of \$12,995 is available for spending at the Council's discretion. The remainder of fund balance is reserved to indicate that it is not available for new general spending because it has already been committed. This is reflected in Exhibit C.

The General Fund is the unrestricted operating fund of the Council. At the end of the current fiscal year, unreserved fund balance of the general fund was \$12,995, while total fund balance reached \$283,224 (Exhibit C). The fund balance of the Council's General Fund decreased by \$ 8,960 during the current fiscal year. (Exhibit D)

Other major funds, including Title III B – Supportive Services Fund and Title III C-2 – Home Delivered Meals Fund and Title III C-1 Congregate Meals had a no change in fund balances. These funds are reimbursed by federal and state grants. Expenditures that are not covered by the grants are covered by transfers from the General Fund and Millage Fund.



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Independent Auditor's Report

**West Baton Rouge Council on Aging, Inc.
Port Allen, Louisiana, USA**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the West Baton Rouge Council on Aging, Inc. as of and for the year ended June 30, 2007, which collectively comprise the Council's financial statements as listed in the table of contents. These financial statements are the responsibility of the West Baton Rouge Council on Aging's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the West Baton Rouge Council on Aging, Inc., as of June 30, 2007, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The accompanying required supplementary information, such as "Management's Discussion and Analysis" and "Budgetary Comparison Information" are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 30, 2007, on our consideration of West Baton Rouge Council on Aging, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the West Baton Rouge Council on Aging's financial statements. The accompanying supplementary information, as described in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary information, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.



Michael R. Choate & Company CPAs

October 30, 2007

GOVERNMENT WIDE STATEMENT OF NET ASSETS

WEST BATON ROUGE COUNCIL ON AGING, INC.
PORT ALLEN, LOUISIANA

June 30, 2007

	<u>Governmental Activities</u>
Assets	
Cash	\$ 312,549
Grants and contracts receivable	27,051
Capital assets, net of accumulated depreciation	<u>5,698</u>
 Total Assets	 <u>\$ 345,298</u>
Liabilities	
Accounts payable	\$ 56,376
Accrued compensated absences	<u>21,271</u>
 Total Liabilities	 <u>77,647</u>
Net Assets	
Invested in Capital Assets	5,698
Restricted for:	
Utility Assistance	9,871
Millage	260,358
Unrestricted (Deficit)	<u>(8,276)</u>
 Total Net Assets	 <u>\$ 267,651</u>

The accompanying notes are an integral part of this statement.

GOVERNMENT WIDE STATEMENT OF ACTIVITIES
WEST BATON ROUGE COUNCIL ON AGING, INC.
PORT ALLEN, LOUISIANA

For the year ended June 30, 2007

	Direct Expenses	Indirect Expenses	Operating Grants and Contributions	Total Governmental Activities	Net (Expense) Revenue and Increases (Decreases) in Net Assets
Functions / Programs					
Governmental Activities					
Health, Welfare & Social Services					
Supportive Services:	\$ 241,745	\$ 198,765	\$ 30,965	\$ (407,545)	
Personal Care	-	-	-	-	
Other Services	-	-	-	-	
Homemaker	-	-	-	-	
Information and Assistance	-	-	-	-	
Legal Assistance	-	-	-	-	
Outreach	-	-	-	-	
Transportation	-	-	-	-	
Nutrition Services:					
Congregate Meals	13,061	11,794	13,501	(11,344)	
Home Delivered Meals	97,480	39,842	6,976	(130,348)	
Utility Assistance	9,033	-	10,534	1,501	
Disease Prevention and Health Promotion	6,249	8,887	1,065	(12,071)	
National Family Caregiver Support	1,447	-	900	(547)	
Multipurpose Senior Centers	-	-	24,398	24,398	
Administration	44,563	22,453	359	(66,657)	
Total governmental activities	\$ 413,578	\$ 277,731	\$ 88,698	\$ (602,611)	
General Revenues:					
Ad Valorem Taxes					561,029
Grants and contributions not restricted to specific programs					49,410
Unrestricted Investment Income					6,182
Miscellaneous					7,373
Total general revenues					623,994
Increase (Decrease) in net assets					21,383
Net assets - beginning of the year					246,268
Net assets - end of the year					\$ 267,651

The accompanying notes are an integral part of this statement.

EXHIBIT C

Balance Sheet
Governmental Funds

West Baton Rouge Council on Aging, Inc.

June 30, 2007

	General Fund	Millage	Title III B	Title III C-1	Title III C-2	Total Non Major Funds	Total
Assets							
Cash	\$ 13,447	\$ 260,343	\$ (1,650)	\$ 1,166	\$ 29,975	\$ 9,268	\$ 312,549
Grants and Contracts Receivable	25,650	15	1,650	(1,166)	299	603	27,051
Prepaid Insurance	-	-	-	-	-	-	-
Total Assets	\$ 39,097	\$ 260,358	\$ -	\$ -	\$ 30,274	\$ 9,871	\$ 339,600
Liabilities and Fund Balance							
Liabilities							
Accounts Payable	\$ 26,102	\$ -	\$ -	\$ -	\$ 30,274	\$ -	\$ 56,376
Payroll Taxes Payable	-	-	-	-	-	-	-
Total Liabilities	26,102	-	-	-	30,274	-	56,376
Fund Balances							
Unreserved/Undesignated:							
General Fund	12,995	-	-	-	-	-	12,995
Special Revenue Fund	-	260,358	-	-	-	9,871	270,229
Total Fund Balances	12,995	260,358	-	-	-	9,871	283,224
Total Liabilities and Fund Balances	\$ 39,097	\$ 260,358	\$ -	\$ -	\$ 30,274	\$ 9,871	
Amounts reported for governmental activities in the statement of net assets are different because:							
Compensation absences are not paid for out of current financial resources and therefore are not reported funds							(21,271)
Capital assets used in governmental activities are not resources therefore are not reported in the funds							5,698
Net assets of Governmental Activities							<u>\$ 267,651</u>

The accompanying notes are an integral part of this statement.

Statement of Revenues, Expenditures, and Changes in Fund Balances
 Governmental Funds
 West Baton Rouge Council on Aging, Inc.
 Baton Rouge, LA
 For the Year Ended June 30, 2007

	General Fund	Millage	Title III B	Title III C-1	Title III C-2	Total Non Major Funds	Total Governmental Funds
REVENUES							
Advalorem Tax	\$ -	\$ 561,029	\$ -	\$ -	\$ -		\$ 561,029
Intergovernmental							
Capital Area Agency on Aging District II, Inc.	650	-	30,017	9,007	4,422	1,965	46,061
Governor's Office of Elderly Affairs	45,660	-	-	-	-	27,857	73,517
Public Support							
Contributions-clients	-	-	948	4,494	2,554	-	7,996
Eutergy Project Care	-	-	-	-	-	10,534	10,534
Investment Income	6,182	-	-	-	-	-	6,182
Miscellaneous	3,771	3,454	-	-	-	148	7,373
Inkind Contributions	-	-	-	-	-	-	-
Total Revenues	56,263	564,483	30,965	13,501	6,976	40,504	712,692
EXPENDITURES							
Health, Welfare, & Social Services							
Current:							
Personnel	-	-	229,160	14,623	56,029	9,153	308,965
Fringe	-	-	78,072	5,560	13,220	2,526	99,378
Meals	-	-	-	-	52,275	-	52,275
Operating Services	-	13,283	96,186	3,858	13,080	2,373	128,780
Operating Supplies	25,000	-	24,973	293	995	180	51,441
Other Costs	19,563	-	10,119	511	1,723	710	32,626
Travel	-	-	-	-	-	-	-
Utility Assistance	-	-	-	-	-	9,033	9,033
Capital Outlays	-	-	-	-	-	-	-
Inkind	-	-	-	-	-	-	-
Total Expenditures	44,563	13,283	438,510	24,845	137,322	23,975	682,498
Excess (deficiency) of Revenues over Expenditures	11,700	551,200	(407,545)	(11,344)	(130,346)	16,529	30,194
OTHER FINANCING SOURCES (USES)							
Transfers In	-	-	448,445	13,509	130,346	13,605	605,905
Transfers Out	(20,660)	(513,389)	(40,900)	(2,165)	-	(28,791)	(605,905)
Total other Financing Sources and Uses	(20,660)	(513,389)	407,545	11,344	130,346	(15,186)	-
Net Increase (Decrease) in Fund Balances	(8,960)	37,811	-	-	-	1,343	30,194
FUND BALANCES							
Beginning of the Year	21,955	222,547	-	-	-	8,528	253,030
End of the Year	\$ 12,995	\$ 260,358	\$ -	\$ -	\$ -	\$ 9,871	\$ 283,224

Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental
Funds to the Statement of Activities
West Baton Rouge Council on Aging, Inc.
Port Allen, Louisiana

Year Ended June 30, 2007

Net Increase (Decrease) in fund balances -- total governmental funds	\$ 30,194
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Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays (\$ 0) differs from depreciation (\$ 5,307) in the current period.

	(5,307)
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Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:

Compensated absences	<u>(3,504)</u>
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Increase (Decrease) of net assets of governmental activities	<u>\$ 21,383</u>
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NOTES TO FINANCIAL STATEMENTS

West Baton Rouge Council on Aging, Inc.
Port Allen, Louisiana

June 30, 2007

Note 1 - Summary Of Significant Accounting Policies

a. Statement of Presentation:

The accompanying financial statements conform to generally accepted accounting principles for local government units as prescribed by Statement 1, Governmental Accounting and Financial Reporting Principles published by the National Council on Governmental Accounting, and Audits of State and Local Governmental Units, the industry audit guide issued by the American Institute of Certified Public Accountants.

The local councils on the aging were created under Act No. 456 of 1964 for the welfare of the aging people in their respective parish.

b. Fund Accounting:

The accounts of the Council are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures.

Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The various funds presented in the financial statements in this report are as follows:

Governmental Fund types

Governmental funds are those through which most governmental functions of the Council are financed. The acquisition, use and balances of the Council's expendable financial resources and the related liabilities are accounted for through governmental funds. The measurement focus is upon determination of changes in financial position, rather than upon net income determination. The following are the Council's governmental funds:

Note 1 - Summary Of Significant Accounting Policies (continued)

Governmental Fund (continued):

General Fund - The General Fund is the general operating fund of the Council. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments and major capital projects) that are legally restricted to expenditures for specified purposes. Most of the Council's special revenue funds are provided by GOEA.

The Title III funds are provided by the United States Department of Health and Human Services - Administration on Aging through the Governor's Office of Elderly Affairs which in turn "passes through" the funds to the Capital Area Agency on Aging and then to the Council.

The following are the funds which comprise the Council's Special Revenue Funds:

Major Special Revenue Funds

A fund is considered major if it is the primary operating fund of the Council or if its total assets, liabilities, revenues, or expenditures are at least 10% of the corresponding total for all funds of that category type.

Title III-B Supportive Services Fund

The Title III-B Supportive Services Fund is used to account for funds which are to provide a variety of social services; such as, information and assistance, access services, in-home services, community services, legal assistance, and outreach for people age 60 and older.

GOEA has established the criteria for defining a qualifying unit of service for each Title III program. Specific supportive social services, along with the number of units provided during the fiscal year, are as follows:

	<u>Units</u>
• Information and Assistance	525
• Homemaker	488
• Recreation	5851
• Transportation for people age 60 or older	14029
• Material Aid	816
• Utility Assistance	93
• Medical Alert	83

Title III C-1 Fund

The Title III C-1 Fund is used to account for funds which are used to provide nutritional, congregate meals to the elderly in strategically located centers. The council served 10,568 meals this year.

Title III C-2 Home Delivered Meals Fund

Title III C-2 Fund is used to account for funds which are used to provide nutritional, home delivered meals to homebound older persons. The council delivered 45,949 meals this year.

Millage Fund

The Millage Fund is used to account for the revenue received from a West Baton Rouge Parish property tax. These funds significantly finance the Council's budget and activities.

Non Major Special Revenue Funds

Audit Fund

The Audit Fund is used to account for funds received from the Governor's Office of Elderly Affairs that are restricted to use as a supplement to pay for the cost of having an annual audit of the Council's financial statements.

Senior Center Fund

The Senior Center Fund is used to account for the administration of Senior Center program funds appropriated by the Louisiana Legislature to the Governor's Office of Elderly Affairs, which in turn "passes through" the funds to the Council. This program provides community service centers at which older persons receive supportive services and participate in activities which foster their independence, enhance their dignity, and encourage their involvement in and with the community.

Title III-D Fund

The III-D Fund is used to account for funds used for disease prevention and health promotion activities of services, such as; (1) equipment and materials (scales to weigh people, educational materials, and exercise equipment), (2) home injury control, (3) medication management, (4) mental health, and (5) nutrition (assessment/screening, counseling, and education). The law directs the state agency administering this program to "give priority to areas of the state which are medically underserved and in which there are a large number of older individuals".

Title III-E Fund

The Title III-E Fund is used to account for funds which are used to provide continuing education services to assist individuals to acquire knowledge about services and/or caregiving role and needs.

Supplemental Senior Center Fund

The Louisiana Legislature appropriated additional money for various councils on aging through the state to be used to supplement the primary state grant for senior centers. West Baton Rouge Council on Aging, Inc. was one of the parish councils to receive a supplemental grant. These funds are "passed through" the Governor's Office of Elderly Affairs.

Utility Assistance Fund

The Utility Assistance Fund is used to account for the administration of programs that are sponsored by local utility companies. The companies collect contributions from service customers and employees and remit the funds directly to the Capital Area Agency on Aging (CAAA), which in turn remits funds relating to West Baton Rouge Parish to the Council. These funds are used to provide financial assistance to the elderly for the payment of their utility bills.

c. Capital Assets:

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. Capital assets are long-lived assets that have been purchased or acquired with an original cost of at least \$1,000 and that have an estimated useful life of greater than one year. When purchased or acquired, these assets are recorded as capital assets in the Government-Wide Statement of Net Assets. In contrast, in the Fund Financial Statements, capital assets are recorded as expenditures of the fund that provided the resources to acquire the asset. If the asset was purchased, it is recorded in the books at its cost. If the asset was donated, then it is recorded at its estimated fair market value at the date of donation.

For capital assets recorded in the Government-Wide Financial Statements, depreciation is computed and recorded using the straight-line method for the assets estimated useful life. The estimated useful lives of the various classes of depreciable capital assets are as follows:

Building Improvements	20 years
Equipment	5 - 7 years
Vehicles	5 years
Computers	3 years

Salvage values have not been estimated by management when calculating how much of an asset's cost needs to be depreciated except for vehicles. For that category or capital asset, management has used 10% of the vehicles initial cost as a salvage value estimate.

Depreciation is not computed or recorded on capital assets for purposes of the Fund Financial Statements.

d. Transfers:

Advances between funds which are not expected to be repaid are accounted for as transfers. In those cases where repayment is expected, the advances are accounted for as an asset or liability through the various due from and due to accounts.

e. Budget Policy:

Budgets for the programs are prepared by the Council's Executive Director and approved by the grantors and the Council's board of directors.

f. Compensated Absences:

For government wide financial statements, the Council's liability for accumulated unpaid vacation has been recorded. The liability has been determined using the number of vested vacation hours for each employee multiplied by the employee's current wage rate at the end of the year. Accrued vacation benefits will be paid from future years' resources and will be recorded as fund expenditures in the various governmental funds in the year in which they are paid or become due on demand to terminated employees. The Council's sick leave policy does not provide for the vesting of sick leave where payment would have to be made to a terminated employee for any unused portion.

g. Management's Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

h. **Revenue Recognition**

Revenues are recorded in the Government-Wide Statements when they are earned under the accrual basis of accounting. Revenues are recorded in the Fund Financial Statements using the modified accrual basis of accounting. In applying the susceptible to accrual concept using this basis of accounting, intergovernmental grant revenues, program service fees, and interest income usually both measurable and available. However, the timing and amounts of the receipts of public support and miscellaneous revenues are often difficult to measure; therefore, they are recorded as revenue in the period received.

Note 2 - Board of Director's Compensation

The Board of Directors is a voluntary Board; therefore, no compensation has been paid to any member.

Note 3 - In Kind Financial Assistance

The Council receives nominal financial assistance from the West Baton Rouge Parish government. However, facilities and land are owned by the Parish. No rent is charged under a 99 year lease agreement which expires December 31, 2097.

Note 4 - Economic Dependency

The Council receives a portion of its revenue from funds provided through grants administered by the Louisiana Governor's Office of Elderly Affairs, and the Capital Area Agency on Aging-District II, Inc. The grant amounts are appropriated each year by the federal and state governments. If significant budget cuts are made at the federal and/or state level, the amount of funds the Council receives could be reduced and have an adverse impact on its operations. Management is not aware of any actions that will adversely affect the amount of funds the Council will receive in the next fiscal year.

Note 5 - Transfers

Transfers in and out are listed by fund type for the year ended June 30, 2007:

<u>Transfers Out</u>								
<u>Transfers In</u>	<u>Title III</u>		<u>Senior</u>	<u>Sup</u>	<u>Millage</u>	<u>Title III</u>	<u>General</u>	<u>Total</u>
<u>Special Revenue Fund:</u>	<u>C-1</u>	<u>Title III D</u>	<u>Center</u>	<u>Senior</u>	<u>Fund</u>	<u>B-1</u>	<u>Fund</u>	<u>Transfers In</u>
<u>Title III B</u>	\$ -	\$ -	\$ 24,398	\$ 3,100	\$ 400,287	\$ -	\$ 20,660	\$ 448,445
<u>Title III C-1</u>	-	-	-	-	13,509	-	-	13,509
<u>Title III C-2</u>	2,165	1,293	-	-	85,988	40,900	-	130,346
<u>Audit</u>	-	-	-	-	359	-	-	359
<u>Title III E</u>	-	-	-	-	122	-	-	122
<u>Title III D</u>	-	-	-	-	13,124	-	-	13,124
 <u>Total Transfers Out</u>	 <u>\$ 2,165</u>	 <u>\$ 1,293</u>	 <u>\$ 24,398</u>	 <u>\$ 3,100</u>	 <u>\$ 513,389</u>	 <u>\$ 40,900</u>	 <u>\$ 20,660</u>	 <u>\$ 605,905</u>

Note 6 - General Fixed Assets

The changes in the general fixed asset account group are as follows:

	Balance			Balance	
	6/30/2006	Additions	Deletions	6/30/2007	
Furniture and Equipment	\$ 11,280	\$ -	\$ -	\$ 11,280	
Vehicles	191,380	-	24,244	167,136	
	\$ 202,660	\$ -	\$ 24,244	\$ 178,416	

Note 7 - Deposits With Financial Institutions

At June 30, 2007, The Council had bank balances totaling \$ 312,549. Bank balances totaling \$100,000 are insured by federal deposit insurance while deposits of \$ 212,549 are collateralized by securities held by the depository bank in the Council's name. This is considered as "Category 1" credit risk in accordance with GASB Statement 3.

GASB Statement 3 categories deposits into three categories of credit risk:

1. Insured by FDIC or collateralized with securities held by the Council or by its agent in the Council's name. (Category 1)
2. Uninsured but collateralized with securities held by the pledging financial institution's trust department or agent in the Council's name. (Category 2)
3. Uninsured and uncollateralized; or collateralized with securities held by the pledging financial institution, or by its trust department or agent but not in the Council's name; or collateralized with no written or approved collateral agreement. (Category 3)

Note 8 – Grants & Accounts Receivable

Accounts receivable at June 30, 2007 included the following funds:

<u>Special Revenue</u>	
Title III B	1,650
Title III C-1	(1,166)
Title III D	194
Title C-2	299
Project Care	409
Millage	15
<u>General Fund</u>	<u>25,650</u>
Total	<u>\$ 27,051</u>

Note 9 – Income Tax Status

The Council, a non-profit corporation, is exempt from federal income taxes under Section 501(C)(3) of the Internal Revenue Code.

SUPPLEMENTARY FINANCIAL INFORMATION

Required by GASB 34

**SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND**

**WEST BATON ROUGE COUNCIL ON AGING, INC.
PORT ALLEN, LOUISIANA
FOR THE YEAR ENDED JUNE 30, 2007**

<u>REVENUES</u>	<u>BUDGETS</u>		<u>ACTUAL</u>	<u>FAVORABLE (UNFAVORABLE) VARIANCE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental:				
Capital Area Agency on Aging District II, Inc.	-	-	650	650
State of Louisiana	-	45,660	45,660	-
Other:				
Miscellaneous	-	-	3,771	3,771
Contributions	-	-	-	-
Investment Income	-	20,000	6,182	(13,818)
Contributions in Kind	-	-	-	-
Total Revenues	-	65,660	56,263	(9,397)
<u>EXPENDITURES</u>				
Current:				
Expenditures in Kind	-	-	-	-
Personnel	-	-	-	-
Operating services	-	-	-	-
Operating supplies	-	25,000	25,000	-
Meals	-	-	-	-
Travel	-	-	-	-
Capital outlay	-	-	-	-
Utility assistance	-	-	-	-
Other	-	20,000	19,563	437
Total Expenditures	-	45,000	44,563	437
Excess of Revenues over (under)				
Expenditures	-	20,660	11,700	(8,960)
<u>OTHER FINANCING SOURCES</u>				
<u>USES</u>				
Operating transfers in	-	-	-	-
Operating transfers out	-	(20,660)	(20,660)	-
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ -	\$ -	\$ (8,960)	\$ (8,960)

**SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
SPECIAL REVENUE FUND - TITLE III-B**

**WEST BATON ROUGE COUNCIL ON AGING, INC.
PORT ALLEN, LOUISIANA
FOR THE YEAR ENDED JUNE 30, 2007**

<u>REVENUES</u>	<u>BUDGETS</u>		<u>ACTUAL</u>	<u>FAVORABLE (UNFAVORABLE) VARIANCE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental:				
Capital Area Agency on Aging District II, Inc.	-	34,141	30,017	(4,124)
State of Louisiana	-	-	-	-
Other:				
Miscellaneous	-	-	-	-
Contributions	-	786	948	162
Project Care	-	-	-	-
Contributions in Kind	-	-	-	-
Total Revenues	-	34,927	30,965	(3,962)
<u>EXPENDITURES</u>				
Current:				
Expenditures in Kind	-	-	-	-
Personnel	-	225,236	229,160	(3,924)
Fringe	-	76,166	78,072	(1,906)
Operating services	-	44,734	96,186	(51,452)
Operating supplies	-	18,525	24,973	(6,448)
Travel	-	-	-	-
Capital outlay	-	-	-	-
Utility assistance	-	-	-	-
Other	-	12,218	10,119	2,099
Total Expenditures	-	376,879	438,510	(61,631)
Excess of Revenues over (under) Expenditures	-	(341,952)	(407,545)	(65,593)
<u>OTHER FINANCING SOURCES</u>				
<u>USES</u>				
Operating transfers in	-	341,952	448,445	106,493
Operating transfers out	-	-	(40,900)	(40,900)
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ -	\$ -	\$ -	\$ -

**SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
SPECIAL REVENUE FUND - TITLE III C-1**

**WEST BATON ROUGE COUNCIL ON AGING, INC.
PORT ALLEN, LOUISIANA
FOR THE YEAR ENDED JUNE 30, 2007**

<u>REVENUES</u>	<u>BUDGETS</u>		<u>ACTUAL</u>	<u>FAVORABLE (UNFAVORABLE) VARIANCE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental:				-
Capital Area Agency on Aging District II, Inc.	-	10,810	9,007	(1,803)
State of Louisiana	-	-	-	-
Other:				-
Miscellaneous	-	-	-	-
Contributions	-	5,381	4,494	(887)
Project Care	-	-	-	-
Contributions in Kind	-	-	-	-
Total Revenues	-	16,191	13,501	(2,690)
<u>EXPENDITURES</u>				
Current:				
Expenditures in Kind	-	-	-	-
Personnel	-	17,649	14,623	3,026
Fringe	-	8,528	5,560	968
Operating services	-	2,584	3,858	(1,274)
Operating supplies	-	1,070	293	777
Meals	-	-	-	-
Travel	-	-	-	-
Capital outlay	-	-	-	-
Utility assistance	-	-	-	-
Other	-	610	511	99
Total Expenditures	-	28,441	24,845	3,596
Excess of Revenues over (under) Expenditures	-	(12,250)	(11,344)	906
<u>OTHER FINANCING SOURCES USES</u>				
Operating transfers in	-	12,250	13,509	1,259
Operating transfers out	-	-	(2,165)	(2,165)
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ -	\$ -	\$ -	\$ -

**SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
SPECIAL REVENUE FUND - TITLE III C-2**

**WEST BATON ROUGE COUNCIL ON AGING, INC.
PORT ALLEN, LOUISIANA
FOR THE YEAR ENDED JUNE 30, 2007**

<u>REVENUES</u>	<u>BUDGETS</u>		<u>ACTUAL</u>	<u>FAVORABLE (UNFAVORABLE) VARIANCE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental:				
Capital Area Agency on Aging District II, Inc.	-	4,422	4,422	-
State of Louisiana	-	-	-	-
Other:				
Miscellaneous	-	-	-	-
Contributions	-	6,883	2,554	(4,329)
Project Care	-	-	-	-
Contributions in Kind	-	-	-	-
Total Revenues	-	11,305	6,976	(4,329)
<u>EXPENDITURES</u>				
Current:				
Expenditures in Kind	-	-	-	-
Personnel	-	65,563	56,029	9,524
Fringe	-	12,955	13,220	(265)
Operating services	-	17,042	13,080	3,962
Operating supplies	-	7,057	995	6,062
Meals	-	62,895	52,275	10,620
Travel	-	-	-	-
Capital outlay	-	-	-	-
Utility assistance	-	-	-	-
Other	-	2,320	1,723	597
Total Expenditures	-	167,822	137,322	30,500
Excess of Revenues over (under) Expenditures	-	(156,517)	(130,346)	26,171
<u>OTHER FINANCING SOURCES</u>				
<u>USES</u>				
Operating transfers in	-	156,517	130,346	(26,171)
Operating transfers out	-	-	-	-
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ -	\$ -	\$ -	\$ -

**SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
SPECIAL REVENUE FUND - MILLAGE**

**WEST BATON ROUGE COUNCIL ON AGING, INC.
PORT ALLEN, LOUISIANA
FOR THE YEAR ENDED JUNE 30, 2007**

<u>REVENUES</u>	<u>BUDGETS</u>		<u>ACTUAL</u>	<u>FAVORABLE (UNFAVORABLE) VARIANCE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
Ad valorem taxes	\$ -	\$ 536,143	\$ 561,029	\$ 24,886
Intergovernmental:				
Capital Area Agency on Aging District II, Inc.	-	-	-	-
State of Louisiana	-	-	-	-
Other:	-	-	-	-
Miscellaneous	-	-	3,454	3,454
Contributions	-	-	-	-
Project Care	-	-	-	-
Contributions in Kind	-	-	-	-
Total Revenues	-	536,143	564,483	28,340
<u>EXPENDITURES</u>				
Current:				
Expenditures in Kind	-	-	-	-
Personnel	-	-	-	-
Fringe	-	-	-	-
Operating services	-	55,000	13,283	41,717
Operating supplies	-	-	-	-
Meals	-	-	-	-
Travel	-	-	-	-
Capital outlay	-	-	-	-
Utility assistance	-	-	-	-
Debt Service	-	-	-	-
Other	-	-	-	-
Total Expenditures	-	55,000	13,283	41,717
Excess of Revenues over (under) Expenditures	-	481,143	551,200	70,057
<u>OTHER FINANCING SOURCES USES</u>				
Operating transfers in	-	-	-	-
Operating transfers out	-	(481,143)	(513,389)	(32,246)
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ -	\$ -	\$ 37,811	\$ 37,811

SUPPLEMENTARY FINANCIAL INFORMATION

Required by: Governor's Office of Elderly Affairs

Statement of Revenues, Expenditures, and Changes in Fund Balances
Non Major Funds
West Baton Rouge Council on Aging, Inc.
Baton Rouge, LA
For the Year Ended June 30, 2007

	Audit	Title III D	Senior Center	Title III E	Utility Assistance	Supplemental Senior Center	Total Non Major Funds
REVENUES							
Advalorem Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental							
Capital Area Agency on Aging District II, Inc.		1,065	-	900			1,965
Governor's Office of Elderly Affairs	359	-	24,398	-	-	3,100	27,857
Public Support							
Contributions-clients	-	-	-	-	-	-	-
Entergy Project Care	-	-	-	-	10,534	-	10,534
Investment Income	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	148	-	148
Inkind Contributions	-	-	-	-	-	-	-
Total Revenues	359	1,065	24,398	900	10,682	3,100	40,504
EXPENDITURES							
Health, Welfare, & Social Services							
Current:							
Personnel	-	8,426	-	727	-	-	9,153
Fringe	-	2,291	-	235	-	-	2,526
Meals	-	-	-	-	-	-	-
Operating Services	-	1,923	-	450	-	-	2,373
Operating Supplies	-	146	-	34	-	-	180
Other Costs	359	350	-	1	-	-	710
Travel	-	-	-	-	-	-	-
Utility Assistance	-	-	-	-	9,033	-	9,033
Capital Outlays	-	-	-	-	-	-	-
Inkind	-	-	-	-	-	-	-
Total Expenditures	359	13,136	-	1,447	9,033	-	23,975
Excess (deficiency) of Revenues over Expenditures	-	(12,071)	24,398	(547)	1,649	3,100	16,529
OTHER FINANCING SOURCES (USES)							
Transfers In	359	13,124	-	122	-	-	13,605
Transfers Out	-	(1,293)	(24,398)	-	-	(3,100)	(28,791)
Total other Financing Sources and Uses	359	11,831	(24,398)	122	-	(3,100)	(15,186)
Net Increase (Decrease) in Fund Balances	359	(240)	-	(425)	1,649	-	1,343
FUND BALANCES							
Beginning of the Year	(359)	240	-	425	8,222	-	8,528
End of the Year	\$ -	\$ -	\$ -	\$ -	\$ 9,871	\$ -	\$ 9,871

**COMPARATIVE SCHEDULE OF GENERAL FIXED ASSETS AND CHANGES IN
GENERAL FIXED ASSETS**

West Baton Rouge Council on Aging, Inc.
Port Allen, Louisiana

For the year ended June 30, 2007

	Balance June 30, 2006	Additions	Deletions	Balance June 30, 2007
General Fixed Assets:				
Vehicles	\$ 191,380	\$ -	\$ 24,244	\$ 167,136
Office Furniture and Equipment	11,280	-	-	11,280
Total Fixed Assets	\$ 202,660	\$ -	\$ 24,244	\$ 178,416
Investment in General Fixed Assets:				
Property acquired with funds from-				
Section 18	1,780	-	-	1,780
Millage	196,045	-	24,244	171,801
Title III C-2	1,453	-	-	1,453
Title III B	2,900	-	-	2,900
Title III C-1	482	-	-	482
Total Investments in General Fixed Assets	\$ 202,660	\$ -	\$ 24,244	\$ 178,416



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Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

**West Baton Rouge Council on Aging, Inc.
Port Allen, Louisiana, USA**

We have audited the financial statements of West Baton Rouge Council on Aging, Inc. as of and for the year ended June 30, 2007, and have issued our report thereon dated October 30, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered West Baton Rouge Council on Aging, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Council's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that

is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we did identify several deficiencies which deserve your attention.

BUDGETS

The Council prepares a "special revenue" budget to obtain state grants and also prepares a "government-wide" budget to monitor and control finances. During the audit, it was noted that budget information entered into the Council's general ledger software did not match the approved budget. Also noted were several calculation errors on budget spreadsheets. We recommend that spreadsheets and internal budget reports be reviewed and approved by the Executive Director. **This is a repeat finding.**

VACATION PAY POLICY

The Council does not have a written policy concerning carryover of unused vacation hours. We recommend a cap be placed on the amount of accrued vacation pay. **This is a repeat finding.**

Compliance and Other Matters

As part of obtaining reasonable assurance about whether West Baton Rouge Council on Aging, Inc.'s financial statements are free of material misstatement we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the management and audit committee of the Council and Federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.


Certified Public Accountants

October 30, 2007

CORRECTIVE ACTION TAKEN ON PRIOR YEAR FINDINGS

**West Baton Rouge Council on Aging, Inc.
Port Allen, Louisiana**

June 30, 2007

SIGNIFICANT DEFICIENCIES

Last year there were deficiencies found in compliance or in internal accounting and administrative controls which required corrective action.

BOARD MEETINGS AND MINUTES

Board Meetings are held quarterly to monitor and approve Council activities. During the year ended June 30, 2006, two board meetings did not have a quorum. This limits the Board's ability to fulfill its obligations.

Also it was noted that board minutes should be more specific when approving large transactions or budgets. A copy of the approved budget should be attached to the minutes.

Corrective Action Taken: Quorums were achieved for the year ended June 30, 2007. Copy of approved budget was included in minutes.

BUDGETS

The Council prepares a "special revenue" budget to obtain state grants and also prepares a "government-wide" budget to monitor and control finances. During the audit, it was noted that budget information entered into the Council's general ledger software did not match the approved budget. Also noted were several calculation errors on budget spreadsheets. We recommend that spreadsheets and internal budget reports be reviewed and approved by the Executive Director.

Corrective Action Taken: Discussed but not corrected. Repeat finding.

INTERNAL CONTROL

The following internal control items are reportable conditions for the year ended June 30, 2006:

- The bookkeeper counts and deposits cash contributed by participants in the C-1, C-2 and IIIB programs. We recommend that two people count cash and initial the "daily contributions worksheet" to improve controls over cash.

- The bookkeeper prepares journal entries for input into the general ledger software. The Executive Director should review the explanation of the journal entries and initial her approval.
- The bookkeeper prepares bank account reconciliations each month. The Executive Director should review the bank statement for unusual items and initial her approval of the bank account reconciliation.

Corrective Action Taken: Segregation of duties established for cash receipts, journal entries and bank reconciliation.

VACATION PAY POLICY

The Council does not have a written policy concerning carryover of unused vacation hours. We recommend a cap be placed on the amount of accrued vacation pay.

Corrective Action Taken: Discussed with Board. No written policy at June 30, 2007. Repeat finding.

FINANCING

The Council could earn more interest income by investing excess funds in a money market account or short term certificate of deposit yielding about 5%. At June 30, 2006, the Council was earning only .5% on excess cash balances.

Corrective Action Taken: Excess cash was invested and interest income increased.

The Council financed its annual insurance premium at a rate of 9%. Interest cost were \$1,481. Consider using excess cash to pay insurance premium.

Corrective Action Taken: Insurance premium not financed for year ended June 30, 2007.

West Baton Rouge Council on Aging

West Baton Rouge Senior Center
P.O. Box 122 - 2560 Court Street
Telephone: (225) 383-0638 Fax: (225) 383-0631
Port Allen, Louisiana 70767

February 6, 2008

Re: Corrective Action Plan

Dear Legislative Auditor,

This letter is in response to the deficiencies identified in our financial audit for the year ending June 30, 2007 conducted by our auditor Michael R. Choate & Company, CPAs. The deficiencies were stated as follows:

1. The Council prepares a "special revenue" budget to obtain state grants and also prepares a "government-wide" budget to monitor and control finances. During the audit, it was noted that budget information entered into the Council's general ledger software did not match the approved budget. Also, noted were several calculation errors on budget spreadsheets. The auditor recommended that spreadsheets and internal budget reports be reviewed and approved by the Executive Director.
 - a. *Corrective Action:* All spreadsheets and internal budget reports are currently reviewed and approved by Executive Director. Financial data from both budgets are carefully examined and entered into general ledger software.
2. The Council does not have a written policy concerning carryover of unused vacation hours. The auditor recommended a cap be placed on the amount of accrued vacation pay.
 - a. *Corrective Action:* The Director, Susan Devecka, discussed this matter during a meeting with Board of Directors on December 20, 2007. The Board of Directors agreed to cap accrued vacation pay at a maximum of 480 hours. Vacation leave and Sick Leave Policies have been revised and distributed to all employees.

All the above information has been provided to you at the best of my knowledge. If any additional information is needed, please contact me at 225-383-0638.

Sincerely,



Susan Devecka
Director